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15 March 1948

The Honorable Chan Gurney
 Chairman, Committee on Armed Services
 United States Senate
 Washington 25, D. C.

Dear Mr. Chairman:

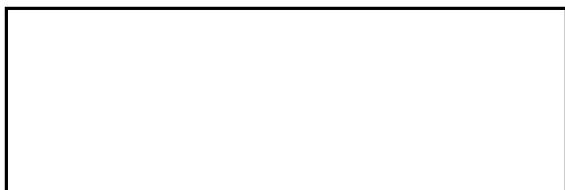
There is submitted herewith the draft of a proposed bill "To provide for the administration of the Central Intelligence Agency, established pursuant to Section 102, National Security Act of 1947, and for other purposes."

The primary purpose of this legislation is to provide authorities necessary for the administration of the Central Intelligence Agency. The basic provisions cover the Agency's problems of procurement; travel, allowances and related expenses; general authorities; and appropriations language.

It is provided in Section 3 that certain provisions of the Armed Services Procurement Act of 1947 (Public Law 413, 80th Congress) be extended to the Agency. This is requested on the basis of difficulties which have been experienced in supplying the peculiar needs of an intelligence service.

Inasmuch as the Central Intelligence Agency is concerned with the coordination and production of foreign intelligence pertaining to the national security, there will be frequent need for overseas travel, occasional overseas assignment and, in certain cases, the establishment of overseas posts. In the light of our desire that employment in the Central Intelligence Agency be regarded as a career service, it is felt that the Agency has a problem similar to that faced by the Foreign Service in the assignment of personnel to duty abroad, and authorities similar to those granted in the Foreign Service Act of 1946 are necessary to the development of an intelligence career staff. (Section 5)

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Certain general authorities have been requested in Section 6 which are believed necessary to facilitate the financing of the Agency, together with additional authorities which are requested on the basis of experience in intelligence activities during the war and since the establishment of Central Intelligence in 1946. Additional general authorities are sought in the interests of the security of the national intelligence mission and in furtherance of Section 102(d)(3) of the National Security Act of 1947 which provides that the Director of Central Intelligence be responsible for protecting intelligence sources and methods from unauthorized disclosure.

Section 7, containing appropriations language, is included in an effort to establish a point of reference to which the administrative and fiscal officers of the Agency and other appropriate officers of the Government may look to determine what expenditures are authorized in the course of supporting the activities of the Agency. The greater part of this section pertains to activities necessary to the normal administration of the Agency, but for which money cannot be expended without specific authorization. This section further provides authorization for the spending of a portion of the money made available to the Agency for confidential purposes where security would prohibit an audit. To achieve this, it is felt necessary to authorize specifically the expenditure of funds for confidential purposes to which the Director of Central Intelligence will certify, and his certification will be a full accounting for such expenditures.

As stated above, the provisions proposed in this legislation are based on experiences in the field of intelligence during the last five years. Because of this experience and the security aspects of intelligence generally, it was felt best to incorporate these administrative necessities in one bill.

The Central Intelligence Agency has been advised by the Bureau of the Budget that they have no objection to the submission of this bill to the Congress in its present form.

Sincerely yours,

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